

Honolulu, Hawaii
Feb 7, 2006

RE: H.B. No. 3080

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Tourism & Culture, to which was referred
H.B. No. 3080 entitled:

"A BILL FOR AN ACT RELATING TO DIGITAL MEDIA,"

begs leave to report as follows:

The purpose of this bill is to promote the film, motion picture, and digital media industries in Hawaii by temporarily replacing the existing Motion Picture and Film Production Tax Credit with the Motion Picture, Digital Media, and Film Production Tax Credit (New Tax Credit). Specifically, this bill, among other things:

- (1) Establishes the amount of the New Tax Credit at 15 percent of qualified production costs incurred in any county with a population over 700,000;
- (2) Establishes the amount of the New Tax Credit at 20 percent of qualified production costs incurred in any county with a population of 700,000 or less;
- (3) Establishes criteria to qualify for the New Tax Credit; and
- (4) Limits the New Tax Credit to \$8,000,000 per qualified production.

The Department of Business, Economic Development, and
Tourism, Department of Taxation, Honolulu Film Office, Maui Film

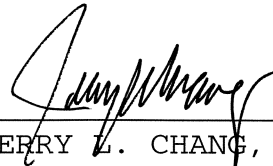
HB3080 HSCR TAC HMS 2006-1598



Office, Big Island Film Office, Hawaii Film & Entertainment Board, Screen Actors Guild, International Alliance of Theatrical Stage Employees, Mixed Local 665, American Federation of Musicians, Local 677, Hawaii Film Authority, Inc., Pae 'Aina Communications, LLC, The Estate of James Campbell, Ko Olina Resort, and several concerned individual supported this bill. The Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3080 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Tourism & Culture,



JERRY L. CHANG, Chair



